5/045/049

Clifton Mining Company
70 West Canyon Crest Rd. Suite D
Alpine, Utah 84004
(801) 756-1414 Fax (801) 756-5454



December 15, 1998

Don A. Ostler P.E.
Department of Environmental Quality
Division of Water Quality
288 North 1460 West
Salt Lake City, Utah 84114-4870

Dear Mr. Ostler,

We are in receipt of your letter dated December 8, 1998. By way of explanation, Clifton was not aware of the fact that it needed any surface water permits. We were under the impression that we were grandfathered in the pumping of the water from the Cane Springs Mine because water has been piped and pumped from the mine for at least the last eight decades. Also given the fact that the September 27, 1935 Certificate of Appropriation of Water from the State of Utah directs that the excess water from the tailings and mine usage be placed back into the natural drainage and this we assume means surface discharge (please see the copy of the Certificate of Appropriation of Water from the State of Utah attached to this letter).

There are two registered and certified water sources that come from the Cane Springs, one is on the west and the other is on the east. The water source on the west is a free flowing source that comes from a mine tunnel into a splitter. The first right to the water belongs to Clifton and free flows down to the Clifton mill for use in the mill. The second right to the water belongs to the BLM, and from the splitter, their water then flows into a tank. The tank is used to water sheep and other animals, both domestic and wild. The overflow from the tank flows into the stream bed and disappears into the sandy bottom within 500 feet of where it comes to the surface. There are a number of chucker and other wild birds and animals that depend on the water, drinking from it after it flows from the tank and before it disappears into the ground.

The second registered source of water from the Cane Springs comes from a shaft that is located on the east side. This source of water has also been used for many decades. This water source is owned by Woodman Mining Company, which was incorporated in approximately 1894 when it began mining from the property. In the early 1930's Woodman installed two pumps on the east side water shaft, to pump water for the purpose of dewatering the mine and also as a secondary source of water for the mill and other purposes. The first pump at that time was pumping water into a pipe that ran down to the mill. The other pump pumped the water into the adjacent canyon, where it ran down the canyon and joined into the main wash that runs west of the town of Gold Hill and from thence down onto the U.S. bombing range. The wash that comes from the west side mine tunnel also joins this same main Gold Hill wash, and also ends up on the U.S. bombing range. Clifton and a predecessor company (American Consolidated Mining Co.) have been using the water being pumped from the east side shaft for almost two decades in the mill. The water has been tested many times over the years from both sources and comes out in a condition that is clear and clean.

The east side mine shaft water was again recently tested along with the mill tailings water, at the request of the State of Utah, Division of Water Quality, Ground Water Department, under the direction of Kiran L. Bhayani, Lyle W. Stott, and as outlined by Mark Novak. Drinking water tests were performed on both water sources to determine if either the mine water or mill water posed a threat to ground water. After receiving and reviewing the test results, The Ground Water Department has determined that neither source poses any threat to ground water (please see the test results included with this letter).

Clifton pumped a small amount of water, over a few days, into the same drainage as it was pumped into in the past. Clifton's only intention in pumping the water, was to determine the amount of water flow coming into the mine and it was determined that the flow is approximately 400 gpm. What Clifton would now propose to do, under the direction of all concerned, is to pump down the water level in the mine, to a point where a bulk head may be placed in the mine, so that all the water flowing from the mine will be in a pipe, that can be used for the mill, agricultural or other needed uses and also so that the mine may be put back into operation. Clifton has hired Patrick Harrison, an international construction company to do the work of putting in the bulk head. They have recently successfully completed a similar job for Kennecott, in which a mine water source was piped and is now serving useful purposes. It is estimated that the job would only take a few weeks to complete, and then no more surface water would be pumped from the mine.

Clifton's management apologizes for the fact that no surface water permit was acquired before any pumping began. But, we were under the assumption that we had the approval of the Department of Water Quality in continuing to pump from the Cane Springs, for mill and other water uses and were unaware of the fact that there was a surface water division. We had made the test and ceased pumping from the shaft long before receiving the cease and desist order from the Surface Division. We have pumped no water from the source since the test was made and will endeavor to acquire whatever permits you deem necessary, before we commence any further surface discharge of water.

In communicating with Curt McCormick from the EPA in Denver, he has suggested that we apply for a temporary pumping permit, allowed under a contracter construction provision in Utah. You also in our conversation suggested that this may be a viable option. Please inform me of what you need me to do to comply with this provision.

Thank you for your time in this matter.

Sincerely,

William D. Moeller, President & Chairman

Enclosures

WDM:km

FORM C-1-A 2000

DUPLICATE

# CERTIFICATE OF APPROPRIATION OF WATER
## STATE OF UTAH



APPLICATION NO. 11842 CERTIFICATE NO. 3139

NAME AND ADDRESS OF APPROPRIATOR C.H. WILSON, GOLD HILL, UTAH

SOURCE OF SUPPLY CANE SPRINGS IN TOOELE COUNTY, UTAH: GREAT SALT LAKE DRAINAGE AREA

QUANTITY OF WATER THIRTY-THREE/ONE THOUSANDTHS (0.033) SECOND FOOT PRIORITY OF RIGHT SEPTEMBER 27, 1935

PERIOD AND NATURE OF USE FROM JANUARY 1 TO DECEMBER 31 OF EACH YEAR FOR MINING PURPOSES

Whereas, *It has been made to appear to the satisfaction of the undersigned that the appropriation of water has been perfected in accordance with the Laws of Utah;*
Therefore, *Be it known that I,* ED. H. WATSON *the duly appointed, qualified and acting State Engineer, by authority of the Laws of Utah, do hereby certify that said appropriator is entitled to the use of water as herein set out, subject to prior rights, if any, for diversion and use as follows, to wit:*

The water is diverted from a tunnel development made at Cane Springs, the point of diversion for which is situated N47°30'W 1706.7 ft. from U.S. Mineral Monument No. 7 in the Clifton Mining District, Tooele County, Utah. The water is collected by means of the tunnel driven into the side hill for a distance of 86 ft. It enters the pipe line through a 4" pipe with a screened intake and is conveyed from the point of diversion through said 4" pipe N86°30'E 81 ft. where it enters a 2" diameter pipe line and is conveyed along the following described traverse through said line: N75°30'E 96 ft, N62°00'E 211 ft, N57°00'E 476 ft, N54°00'E 420 ft, N50°00'E 185 ft, N88°00'E 260 ft. where it enters an ore jigging plant and is used for the separation of scheelite, a tungsten ore. The water is used to convey the tailings from the jig to the tailings dump. The water is returned to the flood channel of Cane Springs Gulch at a point N10°30'E 2006.0 ft. from U.S. Mineral Monument No. 7 in the Clifton Mining District, Tooele County, Utah, which point is the lower end of the tailings trough. All of the water diverted, less evaporation and sloppage losses, is returned to the natural drainage as described.

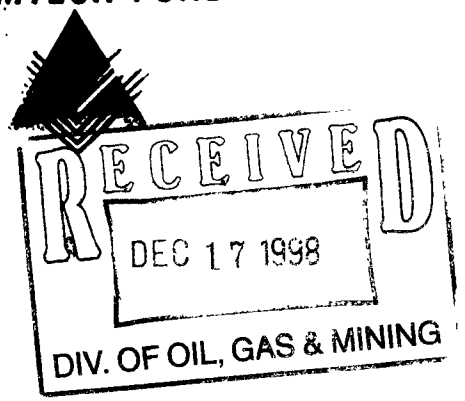
The diverting and distributing works are to be operated and maintained in such manner and condition as will prevent waste of water.

In Witness Whereof, *I have hereunto set my hand and affixed the seal of my office this* 24th *day of* June, 19 46.

Ed. H. Watson

Ed. H. Watson, STATE ENGINEER

**CHEMTECH-FORD**




Date: 11/17/98

To: Clifton Mining Company
attn. Bob Holladay
70 West Canyon Crest Raod, #D
Alpine, UT 84004

Group #: 26239
Lab #: 98-U009439
Sample Desc: Cane Spring

Date Sampled: 10/30/98
Date Submitted: 11/ 2/98

Time Sampled: 16:05
Time Received: 11:48

## Acceptability Report

| Parameter | Units | Regulatory Limit | Sample Result | |
|---|---|---|---|---|
| Arsenic | mg/L | 0.05 | 0.030 | Acceptable |
| Barium | mg/L | 2 | 0.046 | Acceptable |
| Cadmium | mg/L | 0.005 | < 0.001 | Acceptable |
| Chloride | mg/L | | 1870 | Unregulated |
| Chromium | mg/L | 0.1 | < 0.005 | Acceptable |
| Copper | mg/L | 1.3 | < 0.01 | Acceptable |
| Lead | mg/L | 0.015 | < 0.005 | Acceptable |
| Mercury | mg/L | 0.002 | 0.0002 | Acceptable |
| Selenium | mg/L | 0.05 | 0.009 | Acceptable |
| Silver | mg/L | | 0.00300 | Unregulated |
| Sodium | mg/L | | 273. | Unregulated |
| Sulfate | mg/L | 500 | 313. | Acceptable |

6100 SOUTH STRATLER
SALT LAKE CITY UTAH 84107 6905
801 262 7299 PHONE
801 262 7373 FAX

**CHEMTECH-FORD**

Date: 11/17/98

To: Clifton Mining Company
attn. Bob Holladay
70 West Canyon Crest Raod, #D
Alpine, UT 84004

Group #: 26239
Lab #: 98-U009439
Sample Desc: Cane Spring
Sample Matrix: DRINKING WATER
Date Sampled: 10/30/98
Date Submitted: 11/ 2/98

Time Sampled: 16:05
Time Received: 11:48

## CERTIFICATE OF ANALYSIS

| PARAMETER | RESULT | MINIMUM REPORTING LIMIT (MRL) | DATE ANALYZED | METHOD | ANALYST |
|---|---|---|---|---|---|
| INORGANIC PARAMETERS | | | | | |
| Bicarbonate as HCO3, mg/L | 109 | 1 | 11/11/98 9:00 | SM 2320B | TSM |
| Carbonate as CO3, mg/L | < 1 | 1 | 11/11/98 9:00 | SM 2320B | TSM |
| Alkalinity, Total (CaCO3), mg/L | 89 | 1 | 11/11/98 9:00 | SM 2320B | TSM |
| Chloride (D), mg/L | 1,870 | 25 | 11/ 4/98 12:30 | EPA 325.3 | TSM |
| Mercury (T), as Hg, mg/L | 0.0002 | 0.0002 | 11/11/98 14:00 | EPA 245.1 | TPH |
| Sulfate, mg/L | 313 | 100 | 11/ 9/98 13:00 | EPA 375.4 | TSM |
| Barium (T), as Ba, mg/L | 0.046 | 0.005 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Calcium (T), as Ca, mg/L | 422 | 0.2 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Chromium(T), as Cr, mg/L | < 0.005 | 0.005 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Copper (T), as Cu, mg/L | < 0.01 | 0.01 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Magnesium (T), as Mg, mg/L | 294 | 0.2 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Potassium (T), as K, mg/L | 8.5 | 0.5 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Sodium (T), as Na, mg/L | 273 | 1 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Zinc (T), as Zn, mg/L | 0.01 | 0.01 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Arsenic (T), as As, mg/L | 0.030 | 0.005 | 11/11/98 12:07 | EPA 200.9 | LH |
| Cadmium (T), as Cd, mg/L | < 0.001 | 0.001 | 11/ 4/98 9:39 | EPA 200.9 | EG |

Approved By: _____
Ron Fuller, Laboratory Director

MRL = Report detection limit



{generic.rpt}

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CHEMTECH-FORD

NATIONAL LABORATORIES

Date: 11/17/98

To: Clifton Mining Company
attn. Bob Holladay
70 West Canyon Crest Raod, #D
Alpine, UT 84004

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## CERTIFICATE OF ANALYSIS

| PARAMETER | RESULT | MINIMUM REPORTING LIMIT (MRL) | DATE ANALYZED | METHOD | ANALYST |
|---|---|---|---|---|---|
| INORGANIC PARAMETERS | | | | | |
| Lead (T), as Pb, mg/L | < 0.005 | 0.005 | 11/10/98 10:37 | EPA 200.9 | LH |
| Selenium (T), as Se, mg/L | 0.009 | 0.002 | 11/ 6/98 9:19 | EPA 200.9 | EG |
| Silver (T), as Ag, mg/L | 0.0030 | 0.0005 | 11/ 5/98 9:29 | EPA 200.9 | EG |
| Receiving Temperature, C | 6.7 | | 11/ 2/98 11:48 | | RCG |

NOTE: Sample received on ice.

Approved By: _____
Ron Fuller, Laboratory Director

MRL = Report detection limit



{generic.rpt}

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Date: 11/17/98

To: Clifton Mining Company
attn. Bob Holladay
70 West Canyon Crest Raod, #D
Alpine, UT 84004

Group #: 26239
Lab #: 98-U009440
Sample Desc: Gold Hill Pond
Sample Matrix: DRINKING WATER
Date Sampled: 10/30/98
Date Submitted: 11/ 2/98

Time Sampled: 16:10
Time Received: 11:48

## CERTIFICATE OF ANALYSIS

| PARAMETER | RESULT | MINIMUM REPORTING LIMIT (MRL) | DATE ANALYZED | METHOD | ANALYST |
|---|---|---|---|---|---|
| INORGANIC PARAMETERS | | | | | |
| Bicarbonate as HCO3, mg/L | 101 | 1 | 11/11/98 9:00 | SM 2320B | TSM |
| Carbonate as CO3, mg/L | < 1 | 1 | 11/11/98 9:00 | SM 2320B | TSM |
| Alkalinity, Total (CaCO3), mg/L | 83 | 1 | 11/11/98 9:00 | SM 2320B | TSM |
| Chloride (D), mg/L | 1,620 | 25 | 11/ 4/98 12:30 | EPA 325.3 | TSM |
| Mercury (T), as Hg, mg/L | < 0.0002 | 0.0002 | 11/11/98 14:00 | EPA 245.1 | TPH |
| Sulfate, mg/L | 337 | 50 | 11/ 9/98 13:00 | EPA 375.4 | TSM |
| Barium (T), as Ba, mg/L | 0.046 | 0.005 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Calcium (T), as Ca, mg/L | 360 | 0.2 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Chromium(T), as Cr, mg/L | < 0.005 | 0.005 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Copper (T), as Cu, mg/L | 0.02 | 0.01 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Magnesium (T), as Mg, mg/L | 240 | 0.2 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Potassium (T), as K, mg/L | 11.0 | 0.5 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Sodium (T), as Na, mg/L | 255 | 1 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Zinc (T), as Zn, mg/L | 0.04 | 0.01 | 11/ 4/98 14:26 | EPA 200.7 | EG |
| Arsenic (T), as As, mg/L | 0.041 | 0.005 | 11/11/98 12:07 | EPA 200.9 | LH |
| Cadmium (T), as Cd, mg/L | 0.001 | 0.001 | 11/ 4/98 9:39 | EPA 200.9 | EG |

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Lab #: 98-U009440
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|---|---|---|---|---|---|
| INORGANIC PARAMETERS | | | | | |
| Lead (T), as Pb, mg/L | < 0.005 | 0.005 | 11/10/98 10:37 | EPA 200.9 | LH |
| Selenium (T), as Se, mg/L | 0.007 | 0.002 | 11/ 6/98 9:19 | EPA 200.9 | EG |
| Silver (T), as Ag, mg/L | 0.0030 | 0.0005 | 11/ 5/98 9:29 | EPA 200.9 | EG |
| Receiving Temperature, C | 9.5 | | 11/ 2/98 11:48 | | RCG |

NOTE: Sample received on ice.

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{generic.rpt}

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| Barium | mg/L | 2 | 0.046 | Acceptable |
| Cadmium | mg/L | 0.005 | 0.001 | Acceptable |
| Chloride | mg/L | | 1620 | Unregulated |
| Chromium | mg/L | 0.1 | < 0.005 | Acceptable |
| Copper | mg/L | 1.3 | 0.015 | Acceptable |
| Lead | mg/L | 0.015 | < 0.005 | Acceptable |
| Mercury | mg/L | 0.002 | < 0.0002 | Acceptable |
| Selenium | mg/L | 0.05 | 0.007 | Acceptable |
| Silver | mg/L | | 0.00300 | Unregulated |
| Sodium | mg/L | | 255. | Unregulated |
| Sulfate | mg/L | 500 | 337. | Acceptable |

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